

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
FY2014 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT**

**SUBCOMMITTEE MEMBERS**

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**Rep. Mark Neuman, Chair**  
**Rep. Alan Austerman, Co-Chair Finance**  
**Rep. Bill Stoltze, Co-Chair Finance**  
**Rep. Mia Costello**  
**Rep. Bryce Edgmon**  
**Rep. Les Gara**  
**Rep. David Guttenberg**  
**Rep. Lindsey Holmes**  
**Rep. Cathy Munoz**  
**Rep. Steve Thompson**  
**Rep. Tammie Wilson**  
**Alt. Rep. Scott Kawasaki**

**RECOMMENDATIONS**

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The Health and Social Services Finance Budget Subcommittee for the Department of Health Services submits a recommended Operating Budget for FY2014 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 1,228,666.8
Designated General Funds (DGF)	\$ 71,751.6
Other Funds	\$ 94,537.2
Federal Funds	<u>\$ 1,246,828.2</u>
<b>TOTAL</b>	<b>\$ 2,641,783.3</b>

**BUDGET ACTION**

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The House Finance Budget Subcommittee for the Department of Health and Social Services held eleven meetings with the Department, analyzing mission statements, core services and performance measures at both the department and division levels. The subcommittee also analyzed all of the Governor's budget transactions.

**Budget Action Highlights (for details please see the BA Sheet and the LFD reports):**

- The Subcommittee recommends authorizing \$1,300,418.4 General Funds, 3,502 permanent full-time positions, 64 permanent part time positions and 113 temporary positions for a total of 3679 which is equal to the Governor's Amended FY14 Budget.

- The Subcommittee recommends a total increase from the FY2014 Adjusted Base of \$15,310.6 UGF and a decrease of \$2,368.8 DGF for a total General Fund change of \$12,941.8. The change from Adjusted Base in Other Funds is a decrease of \$918.5 and from Federal Funds is \$18,011.9. The total change from the Adjusted Base is \$30,035.2.

**Denied by the Subcommittee:**

- Behavioral Health
  - \$100.0 of UGF for the Assisted Living Home Training and Targeted Capacity for Development in Behavioral Health Grants
  - \$200.0 GF/MH for the Bridge Home Program and Expansion Grant in Services to the Seriously Mentally Ill
- Children's Services
  - \$250.0 UGF Strengthening Families through Early Care and Education in Family Preservation
  - \$400.0 GF/MH for BTKH Early Intervention for Young Children in Infant Learning Program Grant
- Juvenile Justice
  - \$400.0 UGF for McLaughlin Youth Center in Health Services for Youth in Juvenile Justice
- Public Assistance
  - \$3,629.0 UGF in Energy Assistance to replace FY13 language [Sec 15 (a) of last year's operating budget language] Language Energy Assistance Program
- Senior and Disabilities Services
  - \$150.0 GF/MH for Health Promotion, Disease Prevention for Older Alaskans (HPDP): "Senior Fall Prevention" in Senior Community Based Grants

**Unallocated Reductions in the following two allocations:**

- Behavioral Health: \$8,368.8 UGF
- Medicaid Services: \$8,368.8 UGF

**Increments Changed to one-time increments (IncOTI):**

- Behavioral Health
  - \$200.0 (\$100.0 UGF and \$100 Fed Rcpts) for Telehealth Strategic Capacity Expansion, Phase II in Behavioral Health Grants

**Worked with the Mental Health Trust to change the following MHTARR increments to Temporary Increment types (IncT) as they are temporary increments with a term date that expires:**

- Behavioral Health
  - \$100.0 MHTAAR for Assisted Living Home Training and Targeted Capacity for Development in Behavioral Health Grants (FY14-FY16)
  - \$225.0 MHTAAR for Office of Integrated Housing in Behavioral Health Administration (FY14-FY16)
  - \$750.0 MHTAAR for Bridge Home Expansion in Services to the Seriously Mentally Ill (FY14-FY16)
- Public Health
  - \$200.0 MHTAAR for Trust Workforce Development for Loan Repayments in Health Planning and Systems Development (FY14-FY15)
- Senior and Disabilities Services
  - \$140.0 MHTAAR for Rural Long Term Care Development in Senior and Disabilities Services Administration (FY14-FY16)

**Subcommittee Modifications of the Governor's Request:**

- Public Health
  - The \$75.0 UGF Bureau of Vital Statistics' increment to replace lost revenue from issuing free death certificates for deceased veterans (HB12) was accepted but, to be consistent the fiscal note, \$75.0 of GF/Prgm Rcpts was removed.

- **Public Assistance:**
  - Funded \$2 million of the Governor's Gen Fund \$2,244.0 Request for Adult Public Assistance Program Growth in Adult Public Assistance.
  - Funded \$1 million of the Governor's Gen Fund \$1,140.0 Request for Adult Public Assistance Program Growth in General Relief Assistance.
- **Senior and Disabilities Services:**
  - Funded \$150.0 of the Governors \$300.0 for Brain Injury –Traumatic/Acquired Brain Injury Program in Senior Community Based Grants.

#### **OTHER SUBCOMMITTEE ACTION**

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- **Tobacco Education/Cessation Funding decrements:** To provide a more sustainable balance in this fund, the House Subcommittee removed a total of \$2,237.4 of the Governor's requested \$10.97 million in the following allocations:
  - Public Health – Chronic Disease Prevention and Health Promotion (279.40);
  - Public Health – Tobacco Prevention and Control (1,746.4);
  - Behavioral Health – Behavioral Health Administration (191.7);
  - Medicaid Services – Health Care Medicaid Services (19.9).
- **Abortion Services Decrement \$159.8 UGF (the projected costs for abortion services in FY14) in Health Care Medicaid Services** and added the following wordage:
  - Medicaid Services: No Money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the State under the State plan for medical assistance that has been approved by the United States Department of Health and Human Services.
- **Cap on Grantees Administrative Costs Wordage:** The subcommittee added wordage limiting the amount DHSS grantees may spend for administrative costs to not more than 15 percent of the grant award.

- **Budget Structure Changes:**

- Created a new allocation called Performance Bonuses in the Departmental Support Services appropriation and appropriated \$3.993 million of Unrestricted Federal Receipts to the appropriation. This was done to appropriate the Children's Health Insurance Program Reauthorization Act (CHIPRA) performance bonus.
  - Added carry-forward language to allow the unexpended balance at the end of FY13 of the federal CHIPRA bonus funding to be carried forward into FY14.
  - Added language to give the department the ability to transfer the federal CHIPRA bonus funding to any allocation within the department in FY14.
- For budgetary clarity, changed the allocation name from "Certification and Licensing" to "Residential Licensing" in Health Care Services.

#### **AMENDMENT ACTION**

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The House Finance Budget Subcommittee for the Department of Health and Social Services also analyzed the Governor's budget amendments submitted on February 12, 2013, and took the following action:

- Funded the Governor's budget amendments in full.

#### **ITEMS OF INTEREST**

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The Subcommittee recommends the removal of the "open ended" language for the Energy Assistance Program.

## **ATTACHED REPORTS**

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The House Finance Budget Subcommittee for the Department of Health and Social Services adopts the attached reports:

### **Subcommittee generated reports**

Budget Action Worksheet

### **Legislative Finance Division Reports – House Structure**

1. Agency Totals – FY2014 Operating Budget – House Structure
2. Allocation Summary (All Funds) – House Structure
3. Allocation Summary (GF) – House Structure
4. Transaction Comparison - ADJ Base and House Subcommittee
5. Transaction Comparison - Gov Amd and House Subcommittee
6. Wordage Report – FY2014 Operating Budget – House Structure

Respectfully Submitted,



Representative Mark Neuman, Chair  
House Finance Budget Subcommittee  
Department of Health and Social Service  
March 1, 2013