

23RD ALASKA STATE LEGISLATURE  
1ST SESSION  
HOUSE SENATE CONFERENCE COMMITTEE  
HB 75/HB 76  
MAY 15, 2003  
7:24 P.M.

TAPE CC75 03 - 4, SIDE A

CALL TO ORDER

Chair Harris called the Conference Committee meeting to order at 7:24 p.m.

PRESENT

House:

Representative John Harris, Chair  
Representative Bill Williams, Member  
Representative Beth Kerttula, Member [for Rep. Croft]

Senate:

Senator Lyda Green, Vice-Chair  
Senator Gary Wilken, Member  
Senator Lyman Hoffman, Member

MEMBERS ABSENT

Senator Lyman Hoffman

ALSO PRESENT

David Teal, Director, Legislative Finance Division; Cheryl Frasca, Director, Division of Management & Budget, Office of the Governor; Janet Clarke, Director, Division of Administrative Services, Department of Health and Social Services.

SUMMARY

CS FOR SS FOR HOUSE BILL NO. 75(FIN) am(brf sup maj fld)  
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 75(FIN)(brf sup maj fld S)  
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

and

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 76(FIN)  
"An Act making appropriations for the operating and capital

expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 76(FIN) am S  
"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HB 75 and HB 76 were HELD in Committee for further consideration.

Department of Health and Social Services  
(Items 59 - 63 were HELD OPEN.)

#hb75

#hb76

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: items 1 -4 - Senate (see motion sheets).

Senator Hoffman OBJECTED to items 2 and 3.

Senator Green WITHDREW the Motion.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 1 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 1 Senate (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 2 - Senate (see motion sheets).

Senator Hoffman OBJECTED. He observed that the item funds the Alaska Youth Initiative, which have already been cut by 5 percent. The Senate number would reduce the grants by an additional 3.8 percent. He observed that these grants purchase intensive services for youths and their families facing multi-dimensional problems associated with mental illness and severe emotional disturbances. They are one-time grants and are not on going.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris  
OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 3

- Senate (see motion sheets).

Senator Hoffman OBJECTED. He noted that items 3, 7, 9 and 10 are increased reductions from 10 to 25 percent [local match] for grant items. Item 3, Alcohol Safety Action Program, is directly related to court orders and has a high rate of success. He maintained that the reduction would cost the state additional money.

Senator Green recalled that the Department of Health and Social Services was surprised that these grants contained a lower match rate than other grants. The items would be brought into conformity with other grants in the department.

Representative Kerttula spoke against the motion and observed that testimony in the House indicated that some programs would be lost completely by the increase match rate.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris  
OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 4 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 5 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 6 (see motion sheets).

Senator Hoffman OBJECTED. He observed that there is a wait list for Rural Substance Abuse Treatment and Prevention program and that the program is working well. Representative Kerttula echoed his remarks.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris  
OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 7 (see motion sheets).

Senator Hoffman OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 8 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 9(see motion sheets).

Senator Hoffman OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 10 (see motion sheets).

Senator Hoffman OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 11 - SEAL grants (see motion sheets).

Senator Hoffman OBJECTED. He stressed that the reduction would result in a loss of services.

Representative Kerttula observed that the program services mentally ill and disabled persons.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 12 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 13 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: items 14 and 26 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 15 and 25 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 16, 28, 29, and 30 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 17, Foster Care Augmented Rate (see motion sheets).

Senator Hoffman OBJECTED and asked for further explanation of the item.

Janet Clarke, Director, Division of Administrative Services, Department of Health and Social Services spoke in support of the motion and explained that the \$1 million in excess interagency receipts has been in the Department of Health and Social Services' budget when it was thought that Medicaid refinancing could occur in Foster Care.

Senator Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 18 (see motion sheets).

Senator Hoffman OBJECTED for purposes of clarification.

Ms. Clark explained that the appropriation allows for a 14 percent growth rate for Subsidized Adoptions and Guardianship. She did not anticipate a supplemental.

Senator Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 19 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 20 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 21 (see motion sheets).

Senator Hoffman OBJECTED for purposes of clarification. He questioned if a supplemental would anticipated.

Ms. Clark explained that the item would not be budgeted in advance, but would be handled like judgments and claims.

Senator Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 22 (see motion sheets).

Senator Hoffman OBJECTED. He observed that the motion would approve a million dollar reduction to Healthy Families. He stressed that the reduction would not impact the operating budget.

Ms. Clark clarified that the Department of Health and Social Services will not receive Temporary Assistance to Needy Families (TANF) funds to cover the appropriation. Senator Hoffman pointed out that general fund money could be used to substitute the TANF funds. He maintained that there would be a reduction of home visits for at risk families. Ms. Clark agreed.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 24 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 26 (see motion sheets).

Senator Hoffman OBJECTED. He stressed that the reduction of \$50 would affect the Infant Learning Program.

Senator Green argued that the state of Alaska is exceeding federal standards. She maintained that the program should be needs based.

A roll call vote was taken on the motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 27 and 57 (see motion sheets).

Representative Kerttula OBJECTED. She MOVED to AMEND the motion to hold items 27 and 57 open. She stressed that these Human Services Community Matching grants provide services to those with the poorest persons.

Representative Hoffman pointed out that the combined reductions contained in items 57 and 58 would result in a loss of \$1.3 million. He spoke against the reductions, which affect faith based services.

Cheryl Frasca, Director, Division of Management & Budget, Office of the Governor observed that although the Governor originally requested additional funds, that the increase revenues through the gaming tax revenues have not been adopted.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula

OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 31 and 46 (see motion sheets). Senator Hoffman OBJECTED to item 46. There being NO OBJECTION, it 31 was adopted.

Senator Green explained that Medicaid Services were funded with Tobacco Cessation Funds, which are moved to Tobacco Prevention and Control in item 46 and switched to other funds.

Senator Hoffman expressed concern that a commitment to use Tobacco Cessation Funds for prevention is not being maintained.

Senator Green maintained that 20 percent of the funding was being directed [toward cessation efforts]. Senator Hoffman speculated that the \$2 million in item 31 was included in Senator Green's calculations and felt that the designation was marginal. Senator Green argued that cessation in education is part of the cessation funds.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula

OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 32 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 33 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Hoffman OBJECTED and questioned how the deficiencies in the Medicaid reduction would be found.

Ms. Clark explained that the reduction was identified after the Medicaid audit by Legislative Budget and Audit Committee, which pointed out areas where savings could be provided with further efficiencies. She acknowledged that the Governor's budget has an aggressive agenda for cost containment. She stated that the Department of Health and Social Services is committed to not having a Medicaid supplemental in the coming year, unless it is related to Fair Share.

Senator Hoffman asked for further explanation of item 38: Senior and Disabilities Services. Ms. Clark clarified that the House language regarding mandated efficiencies related to the number mandated efficiencies in the Medicaid Waiver Program.

Senator Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, item 33 was adopted.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: items 34 and 47 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 35 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 365 (see motion sheets).

Senator Hoffman OBJECTED. He pointed out that the House had accommodated \$150 thousand for the Bethel Youth facility. Bethel has the highest referral rate. Nome has been accommodated in the budget, but Bethel has the higher caseload. He felt that youth would be flown from Bethel to Nome, which would increase the state's cost.

Senator Green pointed out that the House had added \$150 thousand in excess of the Governor's request.

Ms. Clark acknowledged that the Governor's request was fully funded, but clarified that after the supplemental was funded and took a second look at the funding, actively supported the House action. He noted that there are a number of violent youth in Bethel and the House number is a more accurate representation of what is needed.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula

OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 37 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 38 (see motion sheets).

Senator Hoffman OBJECTED. He pointed out that there was a supplemental in the current year for Disability Medicaid services and questioned if another supplemental would be needed.

Ms. Clark observed that all the waiver programs for seniors and disability and long-term care services in nursing homes are funded from the component. The Department of Health and Social

Services will follow the Legislative Budget and Audit recommendations along with other cost containment measures identified by the department and hope not to have a supplemental.

Senator Hoffman asked for an update on the \$50 million in Medicaid services that is under litigated. Ms. Clark observed that the hearing occurred, but that there has not been a ruling. She observed that the federal position is generally backed.

Senator Hoffman concluded that the services have to be paid and that there would most likely be a supplemental. Ms. Clark felt that the Department has a good case, even though the outcome is dim at the federal level, and felt that they would make a good case to the Court.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula

OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 39 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: items 40 and 54 (see motion sheets). There being NO OBJECTION, it was so ordered.

Representative Kerttula OBJECTED for purpose of discussion. She questioned how the mental health trust funds were used.

(Tape Change, CC75 03 - 5, Side 2)

Ms. Clark explained that the Mental Health Trust Authority proposed a reallocation of their funding to accommodate a project for single point of entry in Anchorage, which was supported by the Department. The information was acted on by the Senate, but came too late for the House.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula

OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris  
OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: items 41 and 55 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 42 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 43 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 44 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 45 (see motion sheets).

Senator Hoffman OBJECTED. He observed that the level of funding for Community Health Grants, which support first responders, is below the requested level.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula  
OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris  
OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 48 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 49 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 50 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: items 51 and 52 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 53 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 56 (see motion sheets). There being NO OBJECTION, it was so ordered.

Senator Green MOVED TO ADOPT the proposed conference committee amounts for the Department of Health and Social Services: item 58 (see motion sheets).

Senator Hoffman OBJECTED. He pointed out that additional funding was requested and that it would support faith based services.

A roll call vote was taken on the motion to hold items 27 and 57.

IN FAVOR: Hoffman, Kerttula

OPPOSED: Wilken, Williams, Green, Harris

The MOTION PASSED (Senate 1-2 and House 1-2).

A roll call vote was taken on the original motion.

IN FAVOR: Wilken, Williams, Green, Harris

OPPOSED: Hoffman, Kerttula

The MOTION PASSED (Senate 2-1 and House 2-1).

Co-Chair Harris observed that items 59 - 63 would be taken up at a later date.

#hb75

#hb76

ADJOURNMENT

The meeting was adjourned at 8:41 p.m.